

What Matters?

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THDA and its programs, See
Our Website

www.state.tn.us/thda



Housing Matters



Volume 1, No. 4 Tennessee Housing Development Agency Fall 2002

Tennessee's "Train the Trainer"

THDA Partners to Create Homebuyer Education Initiative

by Vicki George,
Senior Housing Program
Specialist, THDA

Tennessee's Homebuyer Education Initiative was launched this fall with three regional sessions designed to train non-profit homebuyer educators across the state.

THDA has partnered with AmSouth Bank and Neighborhood Reinvestment Corporation (NRC), a national organization, to bring the "Train the Trainer" programs to 120 participants in Knoxville, Nashville and Jackson.

Janice Myrick, Executive Director at THDA, said a recent survey conducted by Tennessee Housing showed that 15 of the state's 95 counties do not have a direct homebuyer education provider, who delivers services on a consistent basis.



Pictured left to right: Janice Myrick, THDA Executive Director; Paul Poston, District Director of the Great Lakes District of Neighborhood Reinvestment Corp.; Debra Williams, AmSouth Vice President and Regional Community Development Manager

"One of THDA's goals is that this homebuyer education initiative will help fill the gaps across the state and make this important service available to all Tennesseans," Myrick said. "Financial education leads to an increased rate of successful homeownership, which helps to create stronger families and benefits communities."

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THDA, Funding Partners Complete Summit Tour

by Lorrie Shearon,
Director Research & Planning

Recently, THDA along with other funding partners, completed a series of housing summits hosted around the state to learn about the housing needs of communities and housing providers. THDA's partners on this project included the Federal Home Loan Bank (FHLB) of Cincinnati, HUD and USDA Rural Development; officials from the various Development District offices served as hosts for the summits.

Nine summits were held across Tennessee – in Jackson, Covington,

Dresden, Cookeville, Columbia, Ashland City, Kingsport, Alcoa and Chattanooga. Their purpose was to help the funding partners develop a better understanding of the affordable housing needs in the various communities (and the differences between communities and regions in terms of needs) and to learn more about the capacity of local governments and nonprofit organizations to help meet those needs. With over 200 participants statewide, representing 55 local governments, 84 nonprofit organizations,

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Train the Trainer

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AmSouth has donated \$30,000 toward the funding of the three Neighborhood Reinvestment training sessions being coordinated by THDA.

"We are excited to pioneer this unique effort and hope that it will serve as a role model for other states," said Deborah Williams, AmSouth Vice President and Regional Community Development Manager. "This type of organized education is crucial for homebuyers and families in Tennessee and must be delivered on a regular and continuous basis in order to succeed. Our partnership with THDA and NRC will provide organizations serving low and moderate income families one more tool for their toolbox to make homeownership a reality for their clients."

"Response to our initial training advisory has been overwhelming with requests from a wide range of agencies, some having no homebuyer education experience and others having extensive experience," said Don Harris, Deputy Director at THDA. "Our Agency is already planning more sessions for 2003 to

help serve the state's training needs that cannot be fully addressed through these first trainings."

In these fall, 2002 sessions, representatives of nonprofits, community-based organizations and public agencies had an opportunity to learn how to conduct homebuyer education programs in the communities they serve. These educators are now armed with what they need to conduct training for potential homebuyers on understanding credit, how to budget, the best method to shop for a home, obtaining a mortgage, and maintaining finances following a home purchase.

The program trainers and curriculum were provided by Neighborhood Reinvestment Corporation, an organization dedicated to strengthening communities by supporting local partnerships. Local non-profits that are affiliated with NRC are known as NeighborWorks Organizations (NWOs).

In Tennessee, the five NeighborWorks affiliates are as follows: Affordable Housing Resources, Inc., Nashville; Chattanooga Neighborhood Enterprise, Chattanooga; Housing Development Corporation of the Clinch Valley, Oak Ridge; Knox Housing

Partnership, Inc, Knoxville; and United Housing, Inc., Memphis.

Recently THDA received a grant from HUD to continue the "Training the Trainers" program. For information on future training sessions contact Vicki George at 615-741-9667.

Summits

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12 public housing authorities, and various other groups, the summits were a resounding success! A wide-ranging variety of needs were expressed and "wish lists" were created.

Based on the feedback received at the various summits, the funding partners have determined that another series of meetings will be planned and discussions are underway to assess the best format and exact purpose for those. For details of the individual summits, and to find out about any activities planned as a follow-up, check THDA's website where this information will be posted and updated (see www.state.tn.us/thda and click on Housing Summit Information).

30-Year Anniversary Calendar Contest Winners

In preparation for THDA's 30-year Anniversary, we had a drawing contest for the children of THDA employees. The theme given to the children was "A Place I Call Home," the rest was left to each child's imagination. All entries were judged by Ms. Susan Hawkins, art teacher at St. Mathews School in Franklin, TN.

While the choice was very difficult, we do have 12 winners. These 12 young boys and girls, in addition to having their art work displayed in this issue of the *Housing Matters*, will also have their pictures on the 2003 Anniversary Calendar and in THDA's 2003 Annual Report.



Angel Ross, Age 11
Mother - Gretchen Mason
School - Knox Doss Middle



Jordan Tate, Age 10
Grandmother - Donna Sherrell
School - Lakeside Park Elementary



Ross Fellman, Age 6
Father - Ted Fellman
School - St. Mathews



Jordan Harris, Age 10
 Father - Don Harris
 School - Grassland Elementary



Joshua Mitchell, Age 12
 Grandmother - Tonya Meadows
 School - Wright Junior High



Katy Miller, Age 11
 Grandmother - Vicki George
 School - Harpeth Middle



Rachel Salyers, Age 9
 Mother - Ann Salyers
 School - Smyrna Elementary



Lauren Parker, Age 12
 Grandmother - Barbara Parker
 School - Ellis Middle



David Pugh, Age 8
 Mother - Beth Pugh
 School - Bethpage Elementary



Karley Miller, Age 10
 Grandmother - Vicki George
 School - Kingston Springs Elementary



Karlie Perkins, Age 10
 Grandmother - Carol Buyna
 School - Glenn Ellen Elementary



Kelley Miller, Age 7
 Grandmother - Vicki George
 School - Kingston Springs Elementary

by Don Harris,
THDA Deputy Executive Director

Tennessee Housing Development Agency has been awarded a \$38,600 housing counseling grant from the U. S. Department of Housing and Urban Development.

"This funding comes at an opportune time because Tennessee Housing is expanding its homebuyer education services," said Janice Myrick, Executive Director at THDA. "The HUD funds will augment our efforts to provide quality training and materials to

THDA Awarded HUD Counseling Grant

homebuyer educators in all areas of the state."

HUD recently announced that more than \$18 million in counseling grant funds was being awarded to agencies across the nation to promote homeownership and housing for low-income families.

Other Tennessee FY 2002 Housing Counseling Grant recipients include the following: Citizens for Affordable Housing, Nashville, \$10,411; Family and Children's Services/Consumer Credit Counseling of Chattanooga, \$12,576;

Memphis Area Legal Services, Inc., \$29,892; Neighborhood Housing Opportunities, Inc., Memphis, \$12,000; Residential Resources, Inc, Nashville, \$17,987; Vollintine Evergreen Community Association CDC, Memphis, \$10,411; West Tennessee Legal Services, Inc., Jackson, \$620,200*; and Woodbine Community Organization, Nashville, \$26,645.

* A significant portion of these funds will be utilized outside of TN.

Homebuyer Education: Need, Challenges, and Solutions

by Libby Thurman,
Senior Housing Research Analyst, THDA

In March of 2002, THDA initiated a review of homebuyer education services provided throughout Tennessee. This review was necessary primarily due to the increasing need to utilize these services through various THDA programs. Currently, THDA requires homebuyer education services for its Great Start, New Start, Section 8, and HOME programs. Based on our experience administering these programs, it is evident that the availability and quality of these services widely varies throughout the state. The review was designed to identify available resources for THDA programs to successfully meet their requirements, specific to homebuyer education.

Homebuyer education and counseling programs are designed to help consumers gain the knowledge they need to be successful homeowners. This includes ensuring that participants have an understanding of the buying process, mortgages, financial management, and how to prevent foreclosure and default. Research has shown that homebuyer education and counseling is beneficial to both consumers and lenders, as it has been shown to decrease foreclosure and mortgage delinquency rates. There is a distinction between homebuyer education and homeownership counseling; this report focuses primarily on homebuyer education, because that is what THDA has utilized in recent years.

Homebuyer education: Usually administered in a group setting, provides generic information about the home buying process. Standard curriculum usually includes topics such as pre-purchase financial manage-

ment, the homebuying process, protecting your investment, budgeting, and home maintenance.

Homebuyer counseling: One-on-one assistance tailored to the individual consumer by working through a plan of action for overcoming specific barriers to homeownership. It often includes post-purchase and default counseling. This approach is a longer-term process designed to prepare the participant for successful homeownership.

Currently, THDA maintains a statewide resource list consisting of 63 homebuyer educators. This resource list is used primarily to link Great Start participants, as well as the general public, with qualified homebuyer education providers.

- To be placed on the THDA resource list, agencies must complete an application and agree to educate participants on 18 specific topics.
 - The application questions agencies about their experience providing homebuyer education, and requires business references for the agency and resumes of all individuals who will be homebuyer educators. THDA asks whether agencies are HUD certified, though this is not required to be included on the THDA resource list.
 - Applications are reviewed by the Division of Community Programs.
 - THDA purchases homebuyer education manuals, published by the National Foundation for Credit Counseling, and supplies them to trainers for participant usage.
 - Participating agencies are included on the THDA resource list and provided with materials free of charge.
- Challenges with Service Delivery**
- Despite efforts to build partnerships across the state and maintain a list of qualified homebuyer educators, there are still challenges associated with the delivery of education across a statewide jurisdiction. Among the challenges are:
- Unfortunately, while many providers claim a wide service area, the actual education sometimes is not provided in counties where the participant resides. This is a particular burden to many of our low-income participants who may not have reliable transportation available to them.
 - Many agencies charge a fee to participants with no sliding scale available, which could be problematic for participants.
 - Many providers do not have a regular schedule of course offerings. Therefore, instruction is not always available when it is needed.
 - Ensuring that consistent quality instruction is delivered across the service area of any particular agency is difficult.
 - Though the agencies on the THDA approved list have agreed to teach 18 specified topics, THDA does not monitor the quality of instruction agencies provide.
 - Variance in the amount of

and Delivery in Tennessee

homebuyer education that agencies offer is an issue. The hourly program structure of THDA approved trainers varies, resulting in participants receiving different amounts of homebuyer education. For instance, one program may consist of 4 hours, another may consist of 8 hours. However, if THDA sets a standard of minimum hourly requirements for providers to be included on the THDA list, fewer providers will qualify. It is already challenging to find active trainers who are qualified to cover the topics required by THDA.

Resources in the State (THDA Survey)

In an effort to gain an understanding of the availability of homebuyer education in the state of Tennessee, THDA surveyed homebuyer education providers. The recipients of the survey were from two sources: those on THDA's resource list and those organizations on the HUD Approved Housing Counseling Agency list. The agencies on the HUD approved list were included in the survey because not all of them are included on the THDA approved resource list. Eighty-four surveys were mailed, with a response rate of approximately 61%.

SURVEY FINDINGS

Service Area

Fifteen counties in Tennessee are not within a homebuyer education service area for any of the survey respondents. Fourteen of these counties are located in rural areas. In addition, the largest portion of these counties are in Middle Tennessee. Only two providers indicated that they

provide services in each of the grand divisions of the state.

Scheduling

Respondents were asked if they offered homebuyer education weekly, monthly, or as requested. Fifteen percent of respondents reported they offered it weekly, 19% reported they offered it monthly, and 54% reported they had no set schedule.

Session Format

Respondents were asked if they offered individual sessions, group sessions, or another format. Fifty-six percent of respondents reported they offered individual sessions and 37% reported they offered group sessions. None reported they offered another format.

HUD Certification

Survey respondents indicated that there was some misunderstanding about what constitutes HUD certification. Fifty-two percent of respondents indicated their agency was HUD certified.

Fees

Respondents were asked if they charged fees for homebuyer education. Twenty-seven percent said they did charge fees, and 4% have a sliding scale available. Fees ranged from a high of \$150/course to a low of \$15/course. There appears to be a wide discrepancy between the cost of similar services among agencies.

From this report, it is evident that there are many THDA programs with a need for homebuyer education. The need for this service within THDA will continue, and may increase in the future. In addition, the survey results

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What does it mean?

As a result of THDA's survey findings, the Agency has taken positive steps to provide a continuous schedule of training sessions that will provide more accessible homebuyer education opportunities across the State. It is apparent from the study that homebuyer education is not equally administered or accessible in Tennessee-area of service, availability of service, level of service, certification or fee structure.

Effective pre-purchase counseling can significantly help homeowners to avoid falling behind in their mortgages, in some cases by as much as 34 percent, according to the first empirical study done by Freddie Mac on the impact of pre-purchase home counseling.

Other THDA programs, such as the HOME Grant program and the Section 8 Homeownership Voucher program, will benefit from establishing standards, offering resources consistent with U. S. Department of Housing and Urban Development (HUD) certification and more availability.

Want more info?

At this time, the best known study that has been done has been through Freddie Mac. Take a look at the study done by Freddie Mac. It is titled [A Little Knowledge is a Good Thing: Empirical Evidence of the Effectiveness of Pre-Purchase Homeownership Counseling](#). You can find it on their web site at www.freddiemac.com under News/Reports and Publications.

THDA and KHRA Partner to Provide Voucher Services

by Don Harris,
Deputy Executive Director, THDA

The Tennessee Housing Development Agency (THDA) and the Kingsport Housing and Redevelopment Authority (KHRA) recently worked together to provide Section 8 Housing Choice Vouchers to two counties in Upper East Tennessee, which historically have not received any Section 8 services. Unicoi and Johnson counties have no history of participating in the Section 8 Housing Choice Voucher Program. THDA initiated this effort by issuing approximately twenty-five vouchers in Unicoi County in 2001. In addition, THDA Deputy Executive Director, Don Harris, and KHRA Executive Director, Terry Cunningham met with the County Executive and Mountain City Mayor, to develop a plan to implement vouchers into Johnson County

by July 2002. The proposal was received enthusiastically, and in June 2002, THDA transferred a total of 163 vouchers from the Knoxville HUD allocation to KHRA to be administered primarily in these two counties. The transferred vouchers were not utilized at the time, and the local HUD Offices approved the voucher transfer in advance. The transfer was necessary because the closest THDA Field Office to these two counties is in Knoxville (approximately 110 miles away). KHRA will administer the vouchers out of satellite offices in Erwin and Mountain City.

"I am excited about expanding the Section 8 Program to these remote counties, and it is only through the vision and dedicated work of THDA that allowed the citizens of these counties to receive needed

rental assistance," said Cunningham.

Harris added, "This is an excellent example of how THDA and local public housing agencies can work together to successfully meet the needs of low-income persons in under-served communities across the state".

KHRA is in the process of advertising and issuing vouchers in both counties and already has several families under lease.

Homebuyer Ed Survey

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presented in this report make it clear that the current homebuyer education services being delivered across the state are inconsistent in the type of education provided, availability, and fee structure. The inability of existing programs to fully meet the needs of THDA program participants inhibits the success of THDA programs. THDA has the ability to expand its role in homebuyer education through several different areas. These areas include, but are not limited to, the following:

- Curriculum and resource development and distribution
- Development of a Certification Program based on the utilization of THDA curriculum and resources
- Provision of homebuyer education training program targeted for providers of homebuyer education in rural locations
- Through federal funding resources, provide low and very low income persons with assistance for the fees (costs) charged by local providers for homebuyer education
- Serve as a clearinghouse for homebuyer education, resources and training for the state to ensure consistency and quality of services provided for all locations
- Maintain a statewide data base on the providers and quantity of homebuyer education services being provided. Currently, no qualitative mechanism exists for such information
- Establish a homebuyer education resource and training section that addresses the THDA mission and objectives established for homebuyer education

2002 HOME Grantees

Last quarter THDA published a list of the 2002 grantees of HOME funds. The following were also grant recipients of 2002 HOME funds and were not listed. We apologize for the omission.

2002 HOMECHDO	
Buffalo Valley, Inc.	\$500,000
Scott-Morgan CDC	\$286,200
Vol. Housing Dev. Corp.	\$500,000
2002 HOME Rural	
Morristown	\$410,301
2002 HOME Urban	
Jonesborough	\$500,000

Attention to the issues listed above will greatly enhance the consistency and availability of homebuyer education in Tennessee. It will also increase the probability of new homeowners becoming successful homeowners.



What's Happening in Our House?



Looking Back at the 2002 September Board Meeting



Front row, left to right: Sen. Mike Williams, Gerald Reed, Jeff Reynolds, David Hayes, Steve Southerland, Bill Bruce, Lee Ferguson; Second row: Jerry Sisson; Back row: Ralph Perrey and Harold Hunter.



Senator Mike Williams shares his views on THDA and housing issues in East Tennessee.



Ron Erickson, Dir. Internal Audit, THDA; Don Harris, Deputy Ex. Dir., THDA; Steve Seifried, Eastern Eight CDC.

Employee of the Quarter

Debbie Shearon, Executive Assistant to Janice Myrick and Lynn Miller, was named THDA employee of the quarter for the 3rd quarter of 2002. Debbie is a 21-year veteran at THDA and is a consistently outstanding performer for the agency, providing day to day support for THDA senior staff and coordinating the activities of the THDA Board of Directors. Debbie works very closely with Lynn on coordinating new bond issues and is responsible for maintaining and organizing a large amount of agency files dealing with board meetings, bond issues and agency activities.

During the past few months, Debbie has shown great leadership in coordinating and organizing the important documents, files and records of THDA. As a result of some office renovations, Debbie



Debbie Shearon
Executive Assistant

developed and implemented a total reorganization of these files to make them more centrally located and more accessible. She also created a conference room/library that will be very functional for agency staff.

Debbie is well respected and her efforts are greatly appreciated by all staff and board members. This honor is well deserved!

Getting in Step with Homebuyers Ed

Jane Boles, Director of Community Programs, attended the "Train the Trainer" session in Nashville.



Ron Henry, Affordable Housing of Nashville; Christy Baker, Training Counselor NRC; Ethan Pope, Training Counselor NRC; Jane Boles, Director of Community Programs, THDA



Training their way across the State

A shot from the luncheon at the last 2002 "Train the Trainers" session in Jackson, TN.

A Schedule of Housing Matters

Tennessee Housing Development Agency Board Meetings

November 21 Nashville
January 16 Nashville
Grants Committee Meeting
Policy & Programs Meeting
Board Meeting
For more information regarding these meetings, please contact our Nashville office at 615-741-2400.

Knox Housing Partnership Homebuyers Ed. Classes

Call to preregister for classes at 865-637-1679

Dec. 8	5:30-8:30
Jan. 7	5:30-8:30
Jan. 14	5:30-8:30
Jan. 21	5:30-8:30
Jan. 28	5:30-8:30
Feb. 4	5:30-8:30
Feb. 11	5:30-8:30
Feb. 18	5:30-8:30
Feb. 25	5:30-8:30

Fast Track Homeownership Education Program Affordable Housing Resources, Inc.

Call to preregister for classes at 615-251-0025.

The 2003 classes have not been scheduled at this time.

Nov. 19	6:00-8:30
Nov. 21	6:00-8:30
Nov. 23	6:00-8:30
Dec. 17	6:00-8:30
Dec. 19	6:00-8:30

Homebuyers Education Classes

Residential Resources, Inc.

Call to preregister for classes at 615-650-9779

Nov. 19	5:00-8:00
Nov. 23	9:00-3:00
Dec. 7	9:00-3:00
Dec. 10	5:00-8:00
Dec. 14	9:00-3:00
Dec. 17	5:00-8:00
Jan. 7	5:30-8:00
Jan. 11	9:00-3:00
Jan. 14	5:30-8:00
Jan. 25	9:00-3:00
Feb. 4	5:30-8:00
Feb. 8	9:00-3:00
Feb. 11	5:30-8:00
Feb. 22	9:00-3:00

Fast Track at Woodbine

Call to preregister for classes at 615-833-9580.

Part 1 Dec. 27	5:30-7:00
Part 2 Dec. 28	9:00-1:00

Part 1 Jan. 24	5:30-7:00
Part 2 Jan. 25	9:00-1:00
Part 1 Feb. 21	5:30-7:00
Part 2 Feb. 22	9:00-1:00

Note to Reader

All items listed in the above schedule are items that have been submitted to THDA. A schedule of housing events will appear in each issue of *Housing Matters*. The events for the next issue should be dated between Dec. 15 - Jan. 15. If you or someone you know would be interested in placing something in the Winter issue, please send it to Toni Harris, THDA, 404 James Robertson Parkway, Nashville, TN, 37243-0900 or email your information to toni.harris@state.tn.us. Please visit our webpage for more information at www.state.tn.us/thda.



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The Tennessee Housing Development Agency is committed to principles of equal opportunity, equal access, and affirmative action. Contact the THDA EEO/AA, ADA Coordinator (615/741-1106)



H. David Hayes, Chairman
Janice L. Myrick, Executive Director
Toni Harris, Editor

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